

**APPLICATION OF MARKETING STRATEGIES TO  
CUSTOMER RELATED SERVICES IN COMMERCIAL  
BANKING: A CASE STUDY OF UNION BANK PLC.**

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## DECLARATION

I declare that the following dissertation is my original handwork, organised, arranged and presented by myself in partial fulfilment of the M. B. A. programme.

In instance where materials are extracted from other sources, acknowledgements are made appropriately.

The arrangement of ideas, the organisation and presentation of the subject matter are my personal initiative.

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**CERTIFICATION**

This project report entitled "APPLICATION OF MARKETING STRATEGY TO CUSTOMER RELATED SERVICES IN COMMERCIAL BANKING: A CASE STUDY OF UNION BANK OF NIGERIA" meets the requirements of the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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## DEDICATION

To all members of my family.

## **ACKNOWLEDGMENT**

My successful completion of this course is a further testimony of the fact that with God, all things are possible. To God therefore, I give my whole hearted thanks.

I am particularly indebted to my supervisor in person of Mr A. B. Akpan whose effort in my life is more than that of a supervisor or a lecturer but much more of a brother and an academic idol, from whom I have sufficiently built and equipped myself against future academic as well as life challenges. His valuable and experienced suggestions have contributed immensely in making the entire work a success.

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## ABSTRACT

Having observe the competitive nature of the world today, Firms must be tactical in their operations in order to meet the increasing challenges of the economy. One vital way to succeed is for a firm to be able to strategically market its products or services.

The Banking Organization which is the focus of this study, is in business to render services. Therefore, the Commercial Bank must be prepared not just to provide the service, but to do so qualitatively and aggressively if they must serve. Gone are the days when banking was viewed as a "seller's" market whereby customers had the impression that they were privileged to enjoy the services of a bank. Today, it is the turn of the bankers to go out and seek for customers and also strive to retain them by identifying their various needs and satisfying them as well.

This study was done to review the application of marketing strategies to customers related services of selected Commercial Banks of Nigeria specifically Union Bank.

The findings have shown that the Bank have only just begin to grasp the full meaning and understanding of marketing and its application to business. Even then, there are still to be found traits of poor staff attitude to customers, long delays in Banks, lukewarm attitude of Management towards rural banking, among others.

In the light of these findings, the following recommendations were proffered:

1. That the Banks should go all out to market their services more aggressively by stepping up the use of salesmen bankers who will serve as consultants and advisers to clients who are seeking financial services.

2. Furthermore, banks should set up research units to carry out more research into different customer's needs and based on that:
3. to be more customer-conscious in the design of their services in banking industry.

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## CHAPTER ONE

### 1.1 AN OVER VIEW OF STUDY

The complex wave of competitive nature in world business today increases the struggle by business executives to maximize and generate more profit and be a leader or maintain their market leader respectively. Despite all the facts the above question has been found to be in effect marketing. This is to say the ability to identify different customers needs and satisfying those needs.

However, marketing strategy under which banking firms seems to ranked to the background for a long time due to some reasons such as traditionally, banking has been a seller's market where by customers had the impression that they were privileged to enjoy the services of a bank. Secondly, marketing as a discipline, has strong "goods or products" inclinatory because services like banking possess some characteristics which Limit the extent to which marketing could be applied. Example services cannot be inventories and they can't put services on display for appeal to sense of touch, sight taste or smell. Thirdly, there is absence of middlemen in some commercial banks which delay the application of strategies in marketing activities.

Furthermore, the application of marketing strategies in banking is not peculiar to Nigeria, see the article of Brien and Stanford "The myth of marketing in banking" where they observed that "marketing has traditionally been the neglected stepsister in most of the services industries. No where has this been more evident than in the market for commercial banking services.

Consequence upon this a lot of changes have taken in the banking industry in the past two decades or so, following the application of marketing strategies by some commercial banks for effectiveness. For example the branch net work technological innovation like rapid application of computer to the customers.

In applying marketing strategies therefore, is an attempt to identify and analyses opportunities, strengths and weakness as well as problems and threats and setting priorities to capitalise so that the resources of the organization can effective and profitably be used.

## **1.2 STATEMENT OF THE PROBLEM**

The study is primarily concerned with how Union Bank PLC, has actually put into practice the various marketing strategies, most commonly found in theory and whether those have been applied have any appreciable input on the performance of the marketing functions of this Bank.

There has been a total negligence of customers in Nigeria's commercial banks as such customers are rarely afforded the opportunity to get sufficient information regarding the services they want or are encourage to take action in cases of dissatisfaction. Consumers/customers form the most important group in any modern enterprise economy. They not only encourage the economy to produce goods and services that are wanted, but in so doing, help determine the economic order and growth. Commercial banks should with this information discover customers wants and fulfill their needs.

In our research analysis of the case study Union Bank PLC, we found that the Organization is a marketing oriented enterprise. "The customer is king" is a watch word in a Union Bank PLC and all marketing activities are planned around their concept to a large extent. Although some aspect of it are employed to the negligence of others. For instance, the idea of rural banking was not warmly welcomed by Union Bank.

We also found that Union Bank faces some problems which hinder the effective implementation of marketing strategies. Customers are not fairly given attention, which is a common feature of most Nigeria commercial banks.

It is therefore, suggested that adequate attention be given to customers in the course of rendering services. This boost the good will of the bank and enhance customers satisfaction.

### **1.3 OBJECTIVES OF THE STUDY**

The objective of this study is to appraise the extent to which Union Bank PLC has applied marketing strategies to customer related services. This is with a view to determine their effectiveness or otherwise in meeting customer needs, their performance in general and also to make suggestions in areas of deficiencies or shortcomings and inappropriate recommendations where necessary.

Literally, this study will look specifically at the following issues:

- i. The strategies pursued by the selected bank with regard to the marketing mix.
- ii. How the demand of the market are currently being met.
- iii. Their performance.

- iv. Finally, it is hoped that the conclusion of the study will contribute to the existing literature on service marketing especially as it affects the financial institutions.

#### **1.4 SIGNIFICANCE OF THE STUDY**

In this country many companies have been experiencing instability especially in their sales. This has been attributed mostly to the present state of the nation's economy and partially of course to either ineffective marketing strategies or inefficient implementation of marketing strategies with regard to customer in most of these companies. More over, this project is significant for the following reasons:

- i. If the project is successfully carried out, it will fill the missing gap of non-availability of any literature on the application of marketing strategies to customer related services in commercial banking in Nigeria.
- ii. The findings from the project will go a long way in assisting policy makers to take prompt actions in order to hasten the process of adopting marketing strategies in various commercial banks.
- iii. The success of the project will also help improved business planning as a result of earlier identification and assessment of future market trend with particular reference to customer actions, other threats and opportunities, and the acceptance of planning based on defined objectives upon which all department activities and integrated programs depend.

### **1.5 SCOPE AND LIMITATION OF THE STUDY**

This study is limited to the commercial bank in Nigeria. As first generation banks in the country seem to have made it, and their main preoccupation now is how to continue to maintain the leadership role in the face of challenge from the new banks that are rising up. The study will also focus on the marketing strategies adopted in the course of rendering services to customers and how they have aided their performance. However, this study will focus on how Union Bank PLC applied its marketing strategies for effective banking services in Nigeria.

### **1.6 LIMITATIONS**

The major limitations of this study has been in the area of finance and time constraint. it was not easy for the researcher to reach many of the banks branches. Some of the few branches reached was simply reluctant to give out the information sufficiently.

There are also a dearth of literature on service marketing. This observation was confirmed by Hanson when he stated that "it is indeed a pity that so far no major work on the subject of bank marketing in the United Kingdom has been published. Even in the United States, there was such a comparative shortage of literature in the subject". Thought the above limitations notwithstanding, it is hoped that the quality of the study is not seriously impaired.

### **1.7 RESEARCH METHODOLOGY**

In the process to acquire relevant information or data, both secondary and primary sources of information gathered will be used in this study. These included primarily administration of personal interview, questionnaires and

annual reports of the bank under study. In analyzing the data collected, the study will consider the banks performance in relation to the contribution of their marketing strategies.

#### **1.8 DEFINITION OF TERMS**

This has some relevant terms to be considered, the include, "marketing", "Strategy", "Marketing strategy", "Customers", "Commercial banking strategies", and "banking effectiveness."

**Marketing:** This term has no one universally accepted definition rather it has been defined as several ways by different authors and bodies. For example, Institute of Marketing Limited Kingdom, has defined marketing as "the management process responsible for identifying, anticipating and satisfying customers requirements profitably."<sup>3</sup>

Furthermore, Williams Stanton has defined marketing "as a total system of business activities designed to plan, price, promote and distribute want-satisfying goods and services to present and potential customer."<sup>4</sup>

"Another author, Philip Kotler in his book defined marketing as "human activities directed at satisfying needs and wants through exchange process."<sup>5</sup>

The various definitions address the central issue of marketing which is customer orientation, in other words, every organization is expected to determine the needs and wants of its target markets and then adapt itself to deliver the desired satisfaction more effectively and efficiently than its competitors.

**Strategy:** The term strategy is derived from the Greek word "STRATEGIES" which means a General in the Military profession. It has been applied to business to mean some sort of planning or steps taken to achieve set objectives.

According to GLUECK and JAUCH, strategy is "a united comprehensive and integrated plan that relates the strategic advantage of the firm to the challenges of the environment and that is designed to ensure that the basic objective of the enterprise are achieved through proper execution by the organization."<sup>6</sup>

GORGE STEINER, also defined strategy as "that which one did not counteract what a competitor did or was likely to do."<sup>7</sup>

Therefore, this concept of strategy can be seen as a plan which is the result of analyzing one's strength and weakness and what the environment has to offer so that an organization its objectives effectively.

**Marketing Strategy** This has been defined by Kotler as "a set of objective policies and rules that guide over time the firm's marketing efforts-its level, allocation partly independently and partly in response to changing environmental and competitive conditions."<sup>8</sup>

Kotler again in (1988), sees "a marketing strategy as defining the broad principle by which the business unit expect to achieve its marketing objectives in a target market. It consist of basic decisions on total marketing expenditure, marketing arise and marketing allocation."<sup>9</sup>

Marketing strategies must therefore, be developed and implemented by



marketing executives in order to place their organization at the right fitting where it is advantageous over others.

**Customer:** A customer is a person who exercises the right to buy products or services offer for sale by marketing institutions. Customers are divided into two categories:

1. Actual Customers
2. Potential Customers

Actual Customers are those buying currently to a particular shop or any market institution. While Potential Customers are those willing to buy at a particular market institution but have not yet reach a purchase decision.

A firm that has adequate knowledge of its Actual and Potential Customer's will be in a better position to provide products or services to meet their various needs and wants. This will enable the firm maintained and retained the Actual customers and attract more potential customers hence boasting its profitability.

#### **1.9 COMMERCIAL BANKING STRATEGIES**

These are the techniques or approaches to be used in maximizing the benefit of the commercial banking scheme. This is systematic process planned to achieve banking objectives in rendering services to customers.

#### **1.10 BANKING EFFECTIVENESS**

This is the way banks conduct their services directed to satisfy customers needs and wants. When these process reach the desired target market, and get efficient feed back, it is called effectiveness of banking services.

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**CHAPTER TWO**  
**LITERATURE REVIEW**

**2.0 INTRODUCTION**

As applicable to any scientific research, it is pertinent to first of all state the research question and then carefully try to identify the key variables that focus on the specific problem stated in the research topic. As earlier stated, the topic of the research is "Application of Marketing Strategies to Customer Related Services in Commercial Banking: A case study of Union Bank PLC." In the literature review, the researcher identified the key words in the topic such as "Marketing" and "Marketing Strategies." The applicability and problems in implementing the marketing strategies will also be discussed along with a theoretical support for the use of the marketing mix as a means of applying the concept in an organization.

**Marketing:**

This term has no one universally accepted definition rather, it has been defined in several ways by different authors and bodies. Marketing as defined by the American Marketing Association (1960), is "the services from producers to consumers or users."<sup>1</sup>

Ryans defined Marketing as "the determination of the needs and desires of the market so that goods and services can be provided to satisfy these needs and desires."<sup>2</sup> Philip Kotler defined marketing as "human activity directed at satisfying needs and wants through exchange processes."<sup>2</sup> This means that any human activity which leads to the satisfaction of consumers needs and wants by means of exchange in marketing. Marketer must therefore, recognize and understand consumers needs and wants and then determine how best to satisfy them.

All the above definition highlight the idea that marketing is a complex and confusion phenomena that combine both the philosophy of business and its practice. This implies that marketing is a comprehensive function that concerns every aspects of a product or services.

In summary, marketing embraces activities related to the product or services itself, the pricing, the distribution, promotion, post-sales matters, marketing research and sales forecasting.

**Marketing Strategy:**

According to Kotler, "marketing strategy is a set of objectives, politics and rules that guide over time the firm's marketing efforts-its level mic, and allocation partly independently and partly in response to changing environmental and competitive condition."<sup>4</sup>

Murphy and Enis also defined marketing strategy as focusing "Explicitly on the quest for a long run competitive and consumer advantages."<sup>5</sup> However, above definitions are confirming that the business world today is highly competitive and each competitors is out to occupy the leadership positions both in terms of market share and profitability. Philip Kotler again (1988), sees a marketing strategy as defining "the broad principles by which the business unit expects to achieve its marketing objectives in a target market. It consist of basic decision on total marketing expenditure, marketing arise and marketing allocation."<sup>6</sup> Marketing strategies must therefore be developed and implemented by marketing executive in order to place their organization at the right fitting where it is advantageous over others. For a success in marketing strategy, it must start with a well organized plan involving all the functional areas of business.

## 2.1 ESTABLISHING MARKETING OBJECTIVES

A marketing objective is a statement of what is to be accomplished through marketing activities. It should be stated in clear, simple terms, so that all marketing personnel understand exactly what to achieve. It should be written in such a way that the degree of accomplishment can be measured accurately. If the company has an objective of increasing its market share by 10%, the company should have accurate techniques for measuring changes in its market share.

A marketing objective also should indicate when the objective should be accomplished. For example, a firm that sets an objective of introducing five new products should state the time period in which this is to be done.

When creating marketing objectives, the marketing manager must ensure that they are consistent with the overall objective of the organization. An organization in serious financial crisis may be concerned solely with short-term profits so as to stay in business. A successful company on the other hand may want to sacrifice a year's profit to add an expensive piece of equipment that will increase profit in the long-term, and it may have other marketing objectives at the same time, such as finding new customers. A manager who fails to establish marketing objectives that are consistent with the organization's general objective will not only be unlikely to accomplish the marketing objectives but also may work against the achievement of the firm's overall objectives. For instance, if a marketing manager sets an objective that requires greater use of customer credit and one overall objective of the firm is to reduce bad-debt loss, then these objectives will probably conflict. When overall marketing objectives have been established, the marketing manager will be in a better position to develop a marketing strategy.

## 2.2 FACTORS AFFECTING MARKETING DECISIONS

The formulation of marketing strategies, tactics and policies fall within a framework of forces which constitute the firm's environment. Some of these forces or factors are competition, the nature of the market and various legal and social factors, are external. Other, such as the nature of the product and the nature of the company are internal.

### External Factors

Inter-and Intra-industry competition: in its marketing decision making, an organization is affected considerably by the external environmental factors of competition, both from other firm's in the same industry and from companies from other industries, which offer substitute products or services. As a result of this, marketing executive should understand a great deal about the economic of these industries. Regarding his own industry, he should understand its cost structure, pricing policies, general promotional practices, and any other competitive aspect which may influences his own planning and operation. For instance, if fair-trade pricing is prevalent in the industry, a firm may be influenced to follow this practice. But in an industry where fixed cost are a large percentage of total costs, management may be willing to adopt more flexible pricing practices so that it can cut its price below an announced level in order to make a sale. This willingness stems from the fact that in the short run management needs only to cover variable or out-of-pocket costs, any return above that level will help cover the huge fixed expense.

Before establishing its marketing policies, a firm should be aware of the balance of power within the industry. The size of the firm and its relationship in terms of size and power with other firms within the industry

will affect marketing policy. Like wise, the percentage of the total industry sales a company is getting in each geographical market and whether this share of the market is increasing or decreasing will influence policy decision.

Finally, management must be alert to the potential threat of industries producing competitive or substitute products or services. For example, Steel manufacturers are feeling inroads from aluminum and plastics producers. Inter-industry competition among companies making aluminum foil, saran wrap, tenons and other types containers has been heightened by the revolution in packaging.

**Nature of the Market:**

The environmental influence of the market itself on marketing decisions affects both the quantitative and qualitative aspects of the market and also decision making by marketing management. The number of potential customers, their location, buying power, buying motives and buying habits or patterns all should be subjects of careful detailed study.

**Legal and Social Factors:**

To a large extent, management is becoming aware of the vital influence that legislation at the Federal, State and Local levels exercise in marketing decision making. Anti-trust legislation, law as, prohibiting price discrimination and unfair competition and various restrictive measures pertaining to advertising, labeling and packaging are only a few examples of public regulation which must be considered.

Marketing executives are also responding more and more to social influence. Management realizes the value of a good company image. Public disapproval of misleading advertising, poor product performance, hidden finance charges and inadequate product information can incidentally hurt a business.

In general, management knows that it must pay attention to its social responsibilities and that decision making must be done within the framework of acceptable social practices if the company is to benefit in the long-run.

**Nature of the Product:**

Whether the product will ultimately be used by household consumers or business and industry will affect decisions regarding the channel of distribution and promotion. Unit price, frequency of purchases, resale and post sale services needed, and the amount of thought given, to purchases are product factors which influence the marketing programme. A staple product, slightly differentiated from competitive items, will call for pricing, distribution, and promotional strategies different from those used for a highly distinctive product. Products subject to annual model changes require different marketing decisions from those that go unchanged for several years.

**Nature of the Company:**

A marketing executive should realize that the production, financial and personal capability of his firm as well as its limits on the marketing programme. If a firm is considering the addition of a new product to its existing group, the decision is influenced by production factors that exist



facilities and experiences be used? If the new product requires a new plant or new machinery, then financial capability enters the picture. Some firms cannot enter new market or embark upon marketing new product because of insufficient or inadequate personnel. If the company has been selling to the industrial market and the new product would go to the consumer market, management's decision must be tempered by the need to employ new channel of distribution and middlemen and to develop a substantially increased and different advertising programme.

### **2.3 THE STATUS OF MARKETING AND THE FUTURE**

The potentialities of marketing research is just at its beginning in the Nigerian business organizations. Many firms are spending huge sum of money on product research and development but only little amount of money effort to determine the market opportunities and marketing programme for the products. The attributing factors that account for this less than - universal acceptance of marketing research are as follows: In the first place, there are no clear understanding of marketing research by all executives. until the result of a chemical experiment, the result of marketing research can not always be measured quantitatively. The major areas of marketing research are qualitative. The marketing research director cannot do a given job and then point to certain percent of sales increase. Added to this is the apparent lack of interest in marketing research by management. As such, it will not always spend the money. This fact is appreciated in natural sciences like chemical and physics but not in marketing. Executive do not realise that they cannot always get half as good a job for half the amount of money. Ordinarily they get something like 10 percent of full value for 50 percent of the money as published in "Business Times 23rd April, 1996."

The imperfection of marketing research is another hindrance to its universal acceptance. It is not intended to be a cure-all, although some managers expect this or have been led to expect this by overzealous researchers. It is noted that marketing research is not without limitations and several other areas where major opportunities for error can occur in sampling, field interviewing and so on. Even where marketing research is accurate, it is not a substitute for judgement. We cannot conduct a survey, feed the answers into a computer and have it spew out a correct decision. Research gathers, analyzes and interprets facts, but the executive himself must make the decision.

Predicting of future behavior through marketing research is not certain, and often is what is expected of a fortune teller. When dealing with consumer motivation or beliefs, the researcher is hard pressed to get the truth regarding present opinions or motives much less those of next year.

Lastly, marketing research has not yet been able to attract an adequate supply of talented practitioners. Too often research has been sold by glib personalities who promise too much and who take advantage of the fact that it has become fashionable to use research.

In spite of the above obstacles, marketing research today is truly on the threshold of a brilliant future. As more firms now put the marketing concept into practice and also top management are recognizing how important marketing is to the economic health of a company, there will be a growing appreciation of the value of marketing research as a management tool in problem solving and decision making. The scope of the field will be broadened and marketing research will be applied in important new areas.

With numerous firms - big and small, available in all geographic areas of the country, and all types of industries - make increasing use of marketing research, job opportunities in the field, will expand considerably and the vocation will become more attractive to a greater number of qualified people.

#### **2.4 THE IMPORTANCE OF HUMAN RESOURCES TO MARKETING**

Human resources are inevitable in the application of marketing strategies. Marketing concepts policies implementation determination of organizational goals and objectives etc. Infact efficient use of human resources is requisite to marketing success. Human endeavour is being considered as essential element in the marketing organization process. At this point, it is of value to view the human element of marketing activity in terms of its organizational structure.

The marketing department of an organization gain its strength, in part, through its ability to achieve its goal through the natural relationships with the various marketing activities, the atmosphere of an informal environment.

Human nature is at its best in a social setting where the sharing of experiences, challenges and aspiration leads to joint achievements. The people element of the marketing organization functions within the boundaries of the formal organizational structure. This structure necessarily operates under certain constraints, including: the financial as well as human resources of the firm, competition, consumer needs and the objectives, policies and plans of the company. Each of these affect every member of the marketing organization.

There is an attraction between constraints related to the formal organizational structure and those related to society. Because they are human inputs, certain input of the marketing system cannot be directly contained and their result cannot be predicted. These include competitive activities, customer reaction to the firm's products, and the changing needs of the customers. Therefore, the success of the system does not require that every decision nor every market move be the correct one. Rather it require that members of the marketing organizations consistently use all the inputs of the system in marketing activities. For instances, the economic, as well as the human inputs. If all the related elements of its marketing activities are properly considered, the firm will increase its effectiveness even though the possibility of correct decision is not entirely eliminated.

## **2.5 CONCEPTUAL FRAMEWORK OF MARKETING STRATEGIES IN COMMERCIAL BANKING**

For success in achieving its business objective, there is a need for any business enterprises to always device new marketing techniques to meet the challenges of the times. This section of the research work will try to discuss marketing strategy in commercial banking but the term will first be considered separately before attempting a joint definition.

### **Marketing:**

Although there are various definitions of 'marketing', we will adopt the one given by Stantom (1984), for the purpose of this exercise. Thus, marketing is "a total system of business activities designed to plan, price, promote and distribute want - satisfying goods and services to present and potential customer."<sup>1</sup> This definition is used because in developing marketing strategies, marketing managers makes use of the elements in the

marketing mix, namely - product planning, price promotion and place (distribution), otherwise known as the four (4p's). It is the responsibility of the marketing executive to be able to move over the various combination of these elements at different levels and at different stages of their progressive market plan for achieving the objective they set.

**Strategy:**

This is defined as the means/technique used to achieve a given objectives. The term originates from the Greek word 'strategy' which refers to a 'general in the army or the military'. Thus it has to do with the way the military men device both defensive and effective attack against their enemies.

Strategy has been defined as "a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objective of the enterprise are achieved through proper execution by the organization"<sup>2</sup> Glueck and Janck (1984).

Thempner (1980) defined strategy as "a proposed action or sequence of action intended to have a far reaching effects on the company's ability to achieve its objectives"<sup>3</sup>

Based on the above definitions one can say that a marketing strategy is the action taken by marketers in order to gain advantage over their competitors. Kotler (1988) sees a marketing strategy as defining "the broad principles by which the business unit expect to achieve its marketing objectives in a target market. It consist of basic decisions on total marketing expenditure.

Marketing arise and marketing allocation."<sup>4</sup> Marketing strategies must therefore, be developed and implemented by marketing executives in order to place their organization at the right fitting where it is advantageous over others.

Most definitions of the marketing strategy stress its responsibility to enhancing the achievement of organizational objectives more effectively and efficiently than its competitors. How is it that, there is so much apparent banks failure with the marketing strategy in practice?

The most important managerial talk with the commercial banking system is that of understanding the customers need and wants in the target market, and adopting the operations of the bank to deliver the right services more effectively and efficiently than its competitors.

This means that management in the commercial banking system has two main areas of responsibility.

- (i) Remaining sensitive to customers needs:- The management of the commercial banks must be aware of the nature of customer demands, and of changes that occur in their behavior. The nature of demand and the need to provide services effectively yet profitably should be the deriving force behind the decisions of all the company's managers, not just its marketing functions.
- (ii) Market - oriented operation's management:- The whole commercial banking system should be ran so that:
  - a. Marketing objectives may be achieved; and
  - b. The business operates in a competitive and profitable manner. For instance, the good reputation enjoyed by Union

Banks shows the effectiveness of the marketing strategies where applied. Throughout the operation of the commercial banking system in Nigeria.

Commercial bank like Union bank PLC, initiate plan and provide services to a consistent high quality. These services are provide taking into consideration time wasted. Also the services are rendered in such a way that the bank operates at a profit.

For a success in marketing strategy, it must start with a well organized plan, involving all the functional areas of business. A typical strategic market plan according to Abell and Hammond (1979) "May be thought of as involving four sets of related decisions":

1. Defining the business: In doing this, one should be able to provide answers to such questions as:- What business am I in?, who are the customers to be satisfied and what are their characteristic? What needs are to be served?, where and how are these needs to be satisfied?. Essentially, attention is paid to market scope and segmentation.
2. Determining the Mission (or role) of the Business: The role means the overall set of objectives to be pursued "in terms of sales growth, market share, return on investment, net income." All these must be determined after a careful analysis of the market opportunities and company capabilities having regard to the overall corporate objectives.

3. **Formulating Functional Strategies:** At this stage, all functional managers are expected to liaise with general management and programme manager with respect to their individual strategies, cost, and benefits. It should be noted that the functional strategies can only be formulated after the business has been defined and its role determined.
4. **Budgeting:** At this stage, resources are allocated and budgets made for carrying out the planned activities. Specific financial decisions and projections must be made at this stage. Another factor to be considered for a successful marketing strategy is the company's competitive size and position in the market.

The marketing strategy could be a potential instrument in directing the company's management and in providing the necessary techniques meant for effective operations of an organization. It is simply that the concept as at present conceived and implemented leaves it open on the various company to interpret for themselves and to examine their own degree of understanding.

## **2.6 PLANNING MARKETING ACTIONS AND ITS APPLICATION TO UNION BANK PLC**

By planning we mean a conscious and deliberate use of resources of the community for achieving predetermined objective. In the words, of professor H.D. for Dickinson, planning is "the making of major economic decisions, what and how much is to be produced and to whom it is to be allocated by the conscious decision of a determinate authority, on the basis of a comprehensive survey of the economic system as a whole. Planning



is a difficult task because it requires that a marketing manager try to predict the future. Marketing planning focuses on the development of objectives and strategies that determine which marketing activities are to be performed in the future, when and how they are to be performed, and who is to perform them. Plans provide a marketing manager with a basic framework for implementing and controlling the marketing activities of an Organisation. Marketing planning is a continuous process because plans must be changed as forces in the marketing environment change.

The question now is, "to what extent does a marketing manager plan? There is no single answer to this question. Plans vary depending on the objectives and time period covered by the plan. Plans that cover a period of one year or less are called "short-range plans." "Medium-range plans" normally encompass two to five years. Marketing plans that last for over five years are referred to as "Long-range plan". These sometimes cover a twenty year period. A Manager often has short, medium and long-range plans all at the same time.

A marketing manager derives several benefits from planning. Prominent among which are the followings: Firstly, planning helps one to formulate objectives and to think systematically about the firm's future. Secondly, it helps the marketing manager to reduce operating costs because plans increase efficiency. Thirdly, planning helps the marketing manager to control marketing activities because plans are goals against which one can measure actual performance. Finally, planning assists the marketing manager to co-ordinate marketing activities, within the marketing units and to integrate marketing efforts with other departments in the business.

The extent to which marketing manager develop and use plans varies. Although planning provides numerous benefits, some marketing managers do not use formal plan. A few do not plan ahead because they spend most of their time dealing with daily problems. "Many of these daily cases would be eliminated by planning ahead." Some marketing manager who develop plans do not actually use them. This happens either because the marketing manager is not strong enough to stick to the plans or because the plans are defective and not worth following.

Applying this concept to Union Bank PLC, it has shown from the analysis of data collected that the organization based its plant on short and medium range basis. This is because of the nature of services rendered by the banking system where profit is the determinant factor of the bank success. Profit provide the first line of defense against the risk by reassuring both depositors and shareholders the safety of their investment. Also as a result of the quest to meet up with customer demand, the bank do embark on aggressive strategies to maintain this position.

Also due to its position as first generation banks and competition in the market, the organization adopt short-range strategy to enable it compete with other firm effectively.

Union Bank PLC is composed of operational department, administration department, and the finance department. The bank uses computer and also introduces unicolor and save as your earn scheme, an innovative service aimed at attracting more customers.

The bank also adopt the following strategies to catch the target market:

- Pricing Bank Services.
- Defining marketing strategies, administration and controlling the marketing programme.
- Conducting marketing research that attempt to collect investigate, analyses and interpret marketing development.

The above mentioned strategies are implemented to enhance customer - staff relationship because nowadays banks realise that customers are the major focus of bank's marketing effort, so they ensure a good rapport between staff and customer especially counter staff and bank marketing manager. This help in proving profit to the bank. Thus profit form the basic upon which rest two pillars of banking system. Adequacy of capital and competence of managements Rose (1981) has observed that "increasing management regulatory authorities, the stockholders and the investment community at large are looking to the bottom line. profitability as a measure of how well a bank is perform." Thus the above strategies put together contribute its quoter to the total quality services rendered by Union Bank PLC.

## **2.7 SUMMARY**

A number of factors or problems serve as hindrance for the effective planning of marketing actions. These problems include: Deficiencies in the formulation of marketing plans and its implementations. Also there are the problems of priorities and mismanaging of resources and lack of reliable statistical data to serve as a found base for plans. This chapter, at introduction deals with the views of different authors, various interpret what marketing means base on their various observations and

recommendations, the chapter consider the argument of various scholars on marketing strategies, the establishment of marketing objectives, a preliquisite for accomplishing marketing activities. The chapter covers factors affecting marketing decisions, the status of marketing and the future, the importance of human resource to marketing and the completual frame work of marketing strategies in commercial banking.

#### FOOT NOTE

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## CHAPTER THREE

### RESEARCH METHODOLOGY

#### **3.1 RESEARCH METHOD**

According to Ezejelice et al research is "a scholarly or scientific as well as diligent investigation or enquiry in seeking facts or principles. It is a systematic and control approach for providing answers to questions."<sup>1</sup> Research may be basic or applied. Basic research deals with the relationship between two or more variables. The objective is to develop theory by identifying all relevant variables in a particular field and making generalization for proposition about their relationship. Applied research on the other hand test the product of basic research findings. The objective is to test the theories, concepts and model derived from the basic research in real problem situation.

In the process to acquire relevant information or data for their research project, both primary and secondary sources of information gathering will be used in this study. These include principally administering of personal interview, questionnaires and annual reports of the bank study.

In analyzing the data collected, the study will consider the banks performance in relation to the contribution of their marketing strategies. It is also usual for a researcher to adopt certain method while conducting his research work. The methodology use in this project is discussed as seen below.

### **3.2 SOURCES OF INFORMATION**

There are many sources of data or information for the project, the following sources have been of concern to the researcher:-

1. Document form various Institutions of Higher learning especially Ahmadu Bello University, Zaria,; Kaduna Polytechnic and Benue State University.
2. Some existing literature on Nigeria Commercial Banks plus other relevant materials obtained from the relevant financial Institutions.
3. Opinion of interested members of the public on the activities and performance of Commercial Banks.

### **3.3 METHOD OF COLLECTING DATA**

Data of the project was acquire through the following methods:

1. Visit to the Headquarters of Union Bank PLC in Lagos and one Zonal office in Kaduna and two branch offices in Zaria and Makurdi.
2. We also had interview with some official of both Heaquarters and Zonal office. Interview also was held with some other professionals in the fiels with a view of gathering of more useful suggestions on how to improve upon the current strategies of marketing on Commercial Banking.

The data collected form various sources was carefully sutdies and analyzed in order to carry out with meaningful recommendations that are aimed to assits policy makers take appropriate decisions for improving kthe performance of commercial banking on their marketing strategies in Nigeria.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### **4.0 INTRODUCTION**

In the presentation of data, the researcher introduced the reader to the theoretical aspect of the topic being discussed before going into analyse the application of such strategy in the Organization, this is to aid the reader in understanding more of what is being discussed.

To present the data we are going to consider a Union Bank marketing strategy and the staff organization, has their customer relationship exist. Literally, what is now know ass the Union Bank of Nigeria PIC came to Nigeria in 1917, as colonial bank, in 1925, the name was changed to Barclays Bank D.C.O. (Dominion Colonial and Overseas) which later changed its name to Barclays Bank PLC. Moreover, the banking decree emerged in 1969, when it become locally incorporated in July 7th, 1969, as separate Bank with name Barclays bank of Nigeria. This was to reflec its new public company status. It's head office is at 40, Marina lagos.

Uptil 1971, the bank was a wholly owned subsidiary of B.B.P. In that year the bank offered 8.33% of it's equity to Nigeria citizens and association by way of an offer for subscription and the whole of its issued and fully paid share capital was admitted to the official list of the Nigerian Stock Exchange.

At a glance of the organizational structure of Union Bank PLC, the staff strengthe as at today is 34,537 and with the numerical strength, Union Bank PLC is the largest employer of labour in the Nigeria Banking Industry.



The bank is headed by a board of Directors, Managing Directors and Chief Executives, Executive Directors, Assistance General Managers, Area managers and Branch Managers. Although, the Branch Manager is responsible for the proper functioning of performance in his particular branch, he can not do everything himself. Thus, all branches have a control organizational chart showing the various depending on the size of the branch and sets out of the official responsibility for various sections of branch routing.

#### **4.1 MARKETING IN UNION BANK PLC**

Marketing in Union Bank PLC involves the use of various strategies. The bank has no separate marketing department and as such the marketing function are initiated in each of the three departments finance, personnel and administration and operation departments respectively. The public relation officer serves as a communication channel between Union bank PLC and its customers.

The overall marketing strategy, as it is a service industry include service price promotion and distribution strategies. The bank has three departments headed by the various departmental managers. In addition the bank has a secretary and legal adviser. Each of the three departments are structured in such a way as to meet the operational needs of the departments.

The bank in its quest for expansion has established regional offices at Abuja, Ibadan, Kaduna, Kano, Lagos, Port-Harcourt. This is done with a view of capturing the target market and rendering services aim at achieving the objective of the bank. The bank also have area offices at Bauchi,

benin, Enugu and Jos respectively. The regional offices are headed by Regional Managers while Area Officers are headed by Principal Manager (Area Operations).

All the marketing strategies in the bank under study are initiated by Management at the Head Office and sent to the Regional Offices, then to the Area offices and finally to the Branch offices. This is done to enhance uniformity and control in the marketing operation of the bank. However, other marketing strategies of the bank are determined by the government. This has been in the area of interest rate and placing (branch locations strategies respectively. The interest rate is that amount which is charge on loan given to customers and on the deposit made in the bank by the customers. The placing strategy pertained to branch location of the bank. The government intervene in the interest rate policy to create a balance between the profit making objective of the bank and customer fair treatment, also the government used the interest rate as a regulatory tool to check th eexcesses of the banks operations. The placing strategy is undertaken by the government to ensure equitable distribution of the bank which will enhance the development of rural areas through rural banking programme.

The active marketing process in Union Bank PLC is undertaken by the cashiers at the counter. These cashiers are responsible for making payment to and collecting cash from the customers. In the bank, the counter is devided into sections, the paying cashiers section, and the receiving cashiers section, the inquiries section and the public complaint unit. These sections help in the oc-ordination of making activities of the bank. The paying cashiers are responsible for making payment to

customers who come to withdrawal process is undertaken by writing a withdrawal cheque by a customer who present it to the sign and stamping then passed it to the finance officer for endorsement. The cheque is then move to the accountant for final signature after careful verification of the genuineness of the information supply therein. The withdrawal process is completed when the cheque is sent back to the paying cashier to effect the payment.

The depositing process is accomplished by writing the amount and other information required in the cheque, presenting it to the receiving cashier together with the amount who checked, signed and stamped. The cheque is then passed to the finance officer for endorsement and record. The approval of the accountant as he/she make entries of the money deposited is also carried out. The money is then passed to the treasury.

The bank also give loans to its customers and charge interest commensurate with the amount of the loan. The bank also administer different prices on services rendered to its customers depending on the degree of magnitude of the services.

The management of the bank understudy in order to enhance peaceful coexistence between customers and the staff of the bank provided caution notice which reads "customers are advise to make their lodgement to cashiers who are the only person authorized to accept deposit and whoever pays money to anyone other than a cashier does so at his or her own risk. Customers withdrawing large sums of money in cash are advised to be accoppanied by police escorts. These caution notice are meant to enhance customers safety and to guide against undoreseen circumstances. The top

executive at the head office a final approval for any marketing policy that is carried out in the bank.

#### 4.2 MARKETING STRATEGIES OF BANK PLC

This chapter deals with presentation of data collected from the field work. The data collected is presented in tabular form and the data expressed in percentages. However, the presentation below are in response to returned questionnaires. As stated earlier the same questionnaire was administered to thirty (30) staff of the bank, that is to each department, out of which operational department returned 9 while administration department completed and returned 9 and finance department also returned 7 which gives a total of (25) twenty-five completed questionnaires. The response are hereby presented according to the following sub-headings.

**TABLE 1: MEANING OF MARKETING TO BANKING**

RESPONSES	NO. OF RESPONDENT	PERCENTAGE
Selling of service	2	8
Advertising and sales promotion	-	-
Market research	1	4
Public relations	22	88
All of the above		
TOTAL	25	100

Source: Field Work

The data as can be seen in the above table indicates that marketing in the bank include not only selling of services and public relations, but advertising, sales promotion and market research. This is because majority of the respondents ticked the fifth response in the questionnaire which embraces the first four responses.

TABLE 2: EXISTENCE OF A FORMAL MARKETING AND CUSTOMER SERVICE DEPARTMENT

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Yes	0	0
No	25	100
TOTAL	25	100

Source: Field Work

The table indicates that the bank do not have a perfect market/customer service department, the marketing functions are carried out by the other department like operation, finance or administration department.

TABLE 3: RELEVANCE OF MARKETING TO BANKING OPERATIONS

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Yes	25	100
No	-	-
Do not know	-	-
TOTAL	25	100

Source: Field Work

All the respondents as could be seen in the table above are of the opinion that marketing is relevant to their operations and that it is through marketing banks could achieve their objectives of profit making.

TABLE 4: OBJECTIVES OF THE BANKING

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Profit making	15	60
Increased market share	2	8
Customer satisfaction	4	16
Provision of effective service	4	16
TOTAL	25	100

Source: Field Work

As could be seen from the above table, profit making is the main objectives of the bank, an increase in market share comes last in the bank's objectives while the provision of efficient banking services and customer satisfaction go hand in hand.

TABLE 5: RESEARCHING INTO CUSTOMER NEEDS

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Yes	20	80
No	5	20
TOTAL	25	100

Source: Field Work

The above table indicates that 20 respondents representing 80% indicated that the bank conduct research into customer needs, while 5 respondents representing 20% says that researching into customer needs is not undertaken by the bank.

TABLE 6: CONSULTATION OF CUSTOMERS IN DECISION MAKING

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Yes	22	88
No	3	12
TOTAL	25	100

Source: Field Work

The table in the above table confirms the findings in table 5 that the bank conduct research into customer needs. This is because 22 respondents representing 88% indicated that the bank consult their customers in taking decision that affect them while only 3 respondents representing 12% say that customers are not normally consulted. Though the consultation with customers is irregular.

TABLE 7: DETERMINANT OF MARKETING STRATEGY

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Competition and leadership	15	60
To increase sales profit margin	8	32
To cover cost	2	8
TOTAL	25	100

Source: Field Work

As could be seen from the above table, competition and leadership are the main determinant of marketing strategy to increase sales and profit comes second while to cover comes last.

TABLE 8: CUSTOMERS OF THE BANK

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Urban Dwellers	15	60
Rural Dwellers	8	32
Foreigners	2	8
TOTAL	25	100

Source: Field Work

The data from the above table indicates that bulk of the customers are urban dwellers. The bank also have customers from the rural dwellers. 8% of its customers are foreigners.

TABLE 9: PROMOTION OF SERVICE PROVIDER

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Advertisement	20	80
Personal selling	4	16
Sales promotion	-	-
All of the above	1	4
TOTAL	25	100

Source: Field Work



The data above shows 20 respondents representing 80% indicate that bank services are promoted mainly through advertisement while 4 respondents represent 16% indicated that the services are promoted through personal selling with only one (1) respondent indicating the use of all the promotional tools in promoting banking services, this shows that services are promoted through advertising more than personal selling.

TABLE 10: THE ADVERTISING MEDIA USED

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Radios	21	84
Televisions	1	4
News paper	1	4
Magazines	1	4
Billboards	1	4
TOTAL	25	100

Source: Field Work

It can be seen from the above table that the bank uses all the available media but radio message is the major one. This is because radio message can easily reach its customers and is the cheapest means of communicating to present and potential customers

TABLE 11: DETERMINANT OF THE SUCCESS OF PROMOTION

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Number of customers response	2	8
Profitability	-	-
Sales volume	-	-
All of the above	23	92
TOTAL	25	100

Source: Field Work

The data as can be seen above indicates that the determinant of success of promotion include not only number of customers response and profitability but sales volume. This is because majority of the respondents ticked the last response in the questionnaire which embraces the first three responses.

TABLE 12: DIFFERENCES IN PRICES

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Yes	22	88
No	3	12
TOTAL	25	100

Source: Field Work

The above table shows majority of the respondents indicated are of the opinion that customers pay different prices that is, interest rates charge on loans, overdraft and other services provided by the bank. Only 3 respondents out of 25 are of the opinion that customers do not pay different charges on services rendered.

TABLE 13: DETERMINANT OF INTEREST RATE

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Bank Mangement	7	28
Customers	-	-
Government	16	64
Competition	2	8
TOTAL	25	100

Source: Field Work

The above table signifies that 16 respondents representing 64% reveals that the interest rate charge is determined by the government through the Central Bank followed by the bank management which have 7 respondents with 28% and the competition determined by 8% 23 respondents.

TABLE 14: BRANCH LOCATION

RESPONSES	NO. OF RESPONDENTS	PERCENTAGE
Bank Management	2	8
Customers	-	-
Government	23	92
Competition	-	-
TOTAL	25	100

Source: Field Work

The data above revealed that 23 respondents representing 92% which indicate that branch location is determined by the government through Central bank while 2 respondents representing 8% indicating that branch location is determined by the Bank Management, both competition and customers play no role in branch location.

#### 4.3 CUSTOMER TREATMENT

As we know customers are normally regarded as "Kings" so any business organization that want to succeed and maintain a good public image must treat its customers as such, it is unfortunate to observe, however, that in Nigeria the relationship that exists between banks staff and customers in still far from being cordial. In one of the bank customer survey conducted by CREDIT NEWS, the following result as it affects the bank under study was recorded.

TABLE 15 CREDIT NEWS MONTHLY BANK CUSTOMERS SURVEY

BANK	LOCATION	TIME SPENT BY CUSTOMERS	CASHIER ATTRIBUTES
Union Bank	Kaduna	At least one hour	Fair good
	Zaria	About one and a half hour	Normal
	Broad Street, Lagos	At least one hour	Fair

Source: Credit News Magazine, May, 1991.

The above table signified that customers are not being given good enough treatment in some of the banks branches. Otherwise, how can one explain a customer spending as much as two hours waiting to complete a transaction or be attended to. Not only that some cashiers are known to be quite rude and vulgar in their approach to customers. These are some of the anomalies that need to be improved in order to retain their customers and attract new ones.

#### 4.4 CUSTOMER SATISFACTION

Customers of an organization are the life wire of its corporate existence hence their satisfaction is inevitable. This Tables use to the marketing concept which "hold that the key to achieving organizational goal consist in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors."<sup>1</sup>

Robin (1978), also views the marketing concept as "a managerial philosophy aimed at demobilization, utilization and control of total corporate effort for the purpose of consumer satisfaction in such a way as to enhance the profit position of the firm."<sup>2</sup>

The objective of marketing concept, therefore, is to seek out needs/ wants of consumers and then design the appropriate products or services to satisfy those needs and wants bearing in mind, however, the need to achieve overall organizational goal as well.

One of the advantages of the concept is the ability to maintain satisfied customers over a long period. This is so because consumers who are satisfied with a product or service tend to make a repeat call or repurchase of the product or service over and over again. A dissatisfied customer, on the other hand, is most unlikely to continue to patronize the firm. Worse still, the firm's reputation or credibility stands the risk of being seriously dented if the dissatisfied customer tells prospective customers of his or her experience. A point to note here is that an opportunity is thus created which managers can take advantage of because a new product or service has a very high chance of success in a market where a large percentage of present and potential customers are already dissatisfied. It is pertinent to stress, therefore, that the long term survival of any business enterprise requires an equally long term satisfaction of its customers on a continuous basis. This take the form of after-sale service business advice and credit facilities.

Thus, it is a realization of the advantages of customer satisfaction that, the bank understudy made it as a policy to conduct marketing research into customer needs and wants for effective and efficient rendering of its services as seen in Table (5) of the data presentation.

#### **4.5 MARKKETING PROBLEMS IN UNION BANK PLC**

Marketing as defined by Lany Reserberg is "a match in process based on goals and capabilities by which a producer provide a marketing mix (product/ service, promotion, place/ distribution price) that meet consumer needs within the limit of society."<sup>3</sup>

Mazur sees marketing as "a delivery of a standard of living of the society."<sup>4</sup>

Martin Christopher and his friends, defined marketing as "the way in which an organization marches its own human financial and physical resources with the wants of its customers."<sup>5</sup>

The above definition reveal marketing as an activity that is directed towards seeing that customers are satisfied. If this aim of marketing is to be achieved, the entire effort put into the process has to be managed effectively and efficiently without hinderance.

However, the bank under study is not without marketing problems in its operation. But before looking at the peculiar marketing problems of the selected bank, it is pertinent to define what aproblem is in its adequate patterns. According to (Scheric and Smith) ."a problem exist when the marketing executive perceives a difference between an ideal state of affairs and the actual state at any given moment. But before marketing executives can even attempt to find a solution they must recognise that a problem exist."<sup>6</sup>

The marketing problems in Union Bank PLC enumerated below are based on personal interview and observation during data collection process. Straingent problems to an organization form part of its weakness, as such

data on such matter are confidential. However, the following are the prevailing marketing problems in Union Bank PLC:

Unfair customer treatment by some cashiers - During information gathering, it was discovered that some cashiers were rude and vulgar in their manner of approach to customers. Friends or familiar faces on the counter were given preferential treatment by the cashiers at the detriment of other customers consumer as the "King." These anomalies need to be improved in order to retain their customers and attract new ones.

Another marketing problem in Union Bank is the use of time . Judicious use of time is a prerequisite for effective and efficient operation of both manufacturing and service organizations. Time is something that cannot be saved but it is something that must be use wisely. Marketers need to manage their time effectively and the key to using time effectively is through better management. The reverse was the case when I visited the Bank under study. Customers were sitting for over two hours without hearing from the cashiers after submitting their cheque. In three of the branches visited, not more than five custoemrs were seen complaining of time wasted to the bank's Public Relation Officer. This will not have positive impact on the marketing strategies of the Bank. An irritated customers will never call again and this will adversely affect the Organization's goal.

Commercial banking is undertaken by many banks hence competition becomes inevitable. The bank understudy is faced with competition from other banks operating within the same environment. Among the major competitors is the United Bank for Africa (UBA). This is one of the first generation Banks in Nigeria. others are first Bank, Bank of the North and



Savana Bank. These banks has been adopting one form of marketing strategy or the other to boast their business and possibly becomes leaders in the industry.

Rigidity of the management to effect changes to meet customer need or complaints, profitability in the banking undertaken with its customers hence services tailored towards satiafying their needs is inevitable. Louden and Deccabipta also observed that "contemporary marketing offering requires periodic audit of production service lines to determine how well they satisfied the complex needs and wants of the changing customers."<sup>7</sup> A lukewarm attitude towards this dimension by management is a problem in rendering of servcies in the bank under study. It is therefore, expected that management should react actively to custoemr's genuine complaints with a view to satisfying them taking into consideration the goals and objectives of their operation.

Another marketing problem of the Bank uder study is the Micro-Economic instability. Micro-Economic instability resulted from the inconsistency of the monetary and fiscal policies of government during the administration of Structural Adjustment Programme (SAP). Relative prices, the exchange rate of the Naira and the productive focus of the various sectors of the economy were distorted, consequently affecting the income flows and financial structure of economic agents, enterprises, and financial institutions. Financial institutions were hit twice, indirectly through the deterioration of financial institution in the corporate sector, their main customers and directly through the impact of these developments on their financial structure.

Distress in the system aggravated however, when, the Central bank was obliged to issue stabilization securities to mop-up excess liquidity induced by large government budget deficit financed largely through the Central Bank. These Micro-Economic developments of the (1980s), serve as cog-in the wheel of effective marketing operation of Union Bank.

Large over-bang of Non -performance Assets (Loans): The inability of borrowers to repay banks loans has been blamed for bank's poor assets portfolio which has been the number one cause of recent banking distress and hence a problem to their marketing activities. According to MIDC Annual Report for 1994, Sluggish Economy, high inflation and interest rates, poor borrowing culture and dearth of long-term fund for production are major causes of default on customers loan commitments.

According to notes on the accounts in Union Bank annual reports 1996, the unsecured loans amounted to ₦3,059 million in 1995 and ₦4,270 million in 1997 while Doubted loans amounted to ₦4,930 million in 1995 and ₦6.417 million in 1996 respectively. These default in payment of loans and advances are problems to the operation of their bank.

Thus the above problems are the peculiar marketing obstacles confronting the efficient rendering of banking services in Union Bank PLC.

### **3 ANALYSIS OF THE EXTENT OF THE APPLICATION OF MARKETING STRATEGIES IN UNION BANK PLC.**

Marketing entails the effective co-ordination of all these separate functional activities that contribute to overall effectiveness of the organization in satisfying customers needs. "To be the foremost financial institution in the

country by making use of our highly skilled and dedicated work force, extensive branch network and modern technology, we will render quality driven and customer focused financial and investment advisory services drawn from our track record of safety and tradition of excellences, thereby adding value to our share holder's investment and promoting growth in the economy" is the mission statement of Union Bank PLC. All the marketing strategies are planned around achieving this mission.

The service strategy adopted by the Bank indicates market orientation. Union Bank is aware that its customer's vary in needs and income. Thus by classifying its services into groups, the Bank has not only grouped its customers into different categories, but also provided for differences in needs and income of the customers within each group. Services are rendered according to customers needs. The Bank service are rendered according to customers needs. The Bank service strategy are determined by top management who are responsible for new service development based on the information from marketing research, conducted. The customer is the focus in Union Bank PLC, and organizational goals are geared towards customer satisfaction. The bank spend, a lot of money to ensure that its services are of standard quality.

Union Bank is regularly reminding customers of its existence through its promotional strategies. The bank has successfully used advertisement to change some customers patronage for other banks who are its competitors. Union Bank of Nigeria PLC, also use a particular advertising campaign slogan, it claims that it is BIG, STRONG, RELIABLE. Apart from Radio print media, and Television advertisement, this bank has also sponsored Television programmes, sporting activities and to philanthropic and

educational organizations, all these efforts have positive impacts on Bank image. Another marketing strategy adopted by Union Bank is introducing Unicard and Save as you Earn schemes, this innovative service aimed at attracting more customers. The mentioned strategies can enhance customer-staff relationship, because now are days bank realize customers are the CORE of Bank marketing so that must ensured a good report between staff and customers especially counter staff and Bank Marketing Managers.

With their distribution (plce) strategies, the bank tend to have the ball of their market concentrated in the urban centers, essentially the big towns and cities where commercial and industrial activities take place. For example, United Bank for African (UBA) has "branches in New York, Cayman Island and a representative office in London, and Mairutains correspondent relationship with many banks in African and most countries in the world." This is exactly what happened to the Union Bank of Nigeria.

This lopsidedness in the distribution strategy of the bank made government to come up with a regulations directing all commercial banks to establish branches in the rural areas so as to enhance development at the grassroots level. This regulation did not go down well with most of the major banks as they felt that they would incur cost rather than make profits in the rural areas. But with more banks springing up, the old banks feel threatened and therefore, are having a change of attitude positively toward the rural banking services.

The management are constantly engaged in market research, thereby providing information about customers needs and wants, services design, competitive service advantage etc. The Bank therefore, is in constant touch with the customers.

Marketing strategies irrespective of whichever definition, entail the action taken by marketers in order to gain advantage over their competitors. For a success in marketing strategy, it must start with a well organized plan moving all the functional areas of the business. In view of the above motion, Union Bank realises that laxity on the part of one department may affect the others, and ultimately affect the entire purpose of the application of the marketing strategy. Therefore, all departments are involved in a unified effort to help customer satisfy their needs and achieving organizational goals. The top management of the Bank design services according to customers demand. The finance department handle the financial aspect of the service planning, testing, modification etc. The personnel department ensures that qualified people are available to perform the various tasks and engages in promotion, pricing and distribution of the services as appropriate. The operation department ensures only the right quality of materials and machinery are used in carrying out the services. Corporate image is important in Union Bank. The Bank prides itself in functioning as as a "whole." To this extent, its promotional appeal emphasizes it is BIG, STRONG AND RELIABLE making it above other competitors.

#### **4.7 DISCUSSION ON FINDING**

To verified the findings above we have to understand the marketing mix as it relates to service especially in an area of decision making for application of marketing strategies.

##### **A. SERVICES OFFERED**

The findings reveal that the type of services provided by the bank are purely commercial banking services especially those stated and discussed

in the preceding chapter, the decision as to which type of services or service to be provided is determined to a large extent by the bank management and at times subject to approval of the government through the Central Bank.

According to data collected, the respondents indicated that decisions on services rest with management, through which the government present federal government policy of economic growth and development, competition is now playing a key role in the determination of services provided by commercial banks in Nigeria, but in the case of tangible product normally management play a key role, customer/consumer and competitive also pay a vital role.

#### **B. PROMOTION**

The research finding relating to promotional strategies indicate that the services provided by the bank are promoted through advertising with the use of both the print and electronic media, personal selling and sales promotion though very important means of promoting services are not popular with the bank as can be seen in table 9. Despite all the facts that two can enhance the quality of their services and obviously lead to an increase in market share, 20 respondents indicated that their services are promoted through advertising and (two) 2 indicated personal selling. Moreover, the mode of promotion used in promoting tangible product is determined not only by management but also by customer/consumer, the product itself and competition.

### **C. PRICE**

Being the only element that is not a cost in marketing mix, virtually, customers pay different "prices" (interest rates) for services provided on loan and overdraft by the bankers, see table 12. The interest rate charged differs depending on the size of the loan or overdraft, and the type of service rendered.

However, the market rate pricing technique as shown in table 12 as opposed to other techniques applicable to tagible products. In addition the finding as shown in table 13 indicates that government (Central Bank) plays a major role in determining the prices for bank services.

### **D. PLACING**

The important of placing strategy (distribution strategy) in marketing can be over emphasized. In the marketing of tangible products, quite a number of channels are opened to a product depending on the type of product involved and these channels can be either direct or indirect. But with services, due to their characteristics especially those of Luse parability and perishability only the direct channel is used, though the responses tabulated in table 14 revealed that place (i.e. Branch Location) is determined by the government through the Central Bank of Nigeria. According to respondents interviewed , there are street control on branch location by the government both for rural and urban branches to ensure *effectiveness of banking services*.

The study also discovered that the year has witnessed a show down in the pace of economic growth and development, due largely to the problems of capacity under-utilization, weak aggregate demand, growing unemployment

and evidently widespread poverty. Arising from these deteriorating parameters, inventories of manufactured goods piled up demand for loanable funds and foreign exchange workers were retrenched as part of corporate survival strategies, thus deepening the recession which there was a general economic fatigue. The bank under study however, introduced a number of cost reduction and debt recovery strategies which combined to improve their profits before and after tax from ₦839m and ₦575m in 1995 to ₦1.2 billion and ₦1.1 billion in 1996 respectively.

Table below show the five year financial summary of Union Bank as from 1992 to 1996.

Table 16: TOTAL ASSETS

1992	1993	1994	1995	1996
₦'000	₦'000	₦'000	₦'000	₦'000
23,869	32,008	43,274	76,423	77,675

Source: 1996 Annual report and Accounts.

The above table show the five year financial summary of Union Bank and it show how the Bank assets multiply tremendously from 1992 to which rated to 23,869 or 77,675 of 1996 assets report. Despite all the facts, the table above indicate that the Bank have been performing creditably well over the years due to their well designed marketing strategies some of which are highlighted in the earlier part of this chapter. Furthermore, the Banks are adopting the full marketing concept and are continuously bringing focus the need for the application of complete marketing mix. Union Bank PLC, for example, confirms from one of her annual reports that she "Purse aggressive business promotion strategy coupled with a willingness to innovate."



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.1 SUMMARY**

This study consist of five chapters, the first chapter included introduction, statement of the problem, objective of the study, significance, scope and limitation of the study, research methodology and definitions of terms on the introductory chapter. The study show how the complex competitions of business increases, where every organization test their marketing strategies effective of this study is to appraise the application of marketing strategies of Union Bank PLC, how their demand of market are currently met and test their performances. The study also is scoping within the commercial banking in Nigeria especially Union Bank PLC. In the process of this study the researcher use secondary and primary sources of information thereby administering interview and questionnaires, the Banks Annual Report is also included. This study is significant in filling the gap of non-availability of any literature on application of marketing strategies. It will also assist policy makers if it is carried out successfully. But this study is limited due to financial and time constraint facing the researcher. This study also consider some relevant terms and defined them based on various scholars perceptions.

The second chapter of the study also consist literature review based on the following sub-headings: Introduction, establishing marketing objectives, factors affecting marketing decisions, the status of marketing and the future, the importance of human resource to marketing, conceptual framework of marketing in commercial banking, planning marketing actions and its application to Union Bank PLC and summary. This chapter includes

the view of some authors on the subject of marketing general and marketing strategy, special attention is however, being given to Established Marketing objectives which is a statement of what is to be accomplished through marketing activities. Factors affecting marketing decision has been viewed to include external factors in the form of inter and intra-industry competition, nature of the market and legal and social factors while the internal are the nature of the product or service and the nature of the company. It should be noted that there are a lot of literature review in the subsequent subheadings.

Chapter three is made up of the research methodology, which highlighted on the definition of research, sources of information, comprising of various document from higher learning institutions especially Ahmadu Bello University, Zaria; kaduna State Polytechnic and Benue State University. Opinions of interested members of the public on the activities and performance of commercial banks was another source of information. Method of data collection is also discussed. The researcher made a personal visits to the Headquarters in Lagos and had interview with some official of both Headquarters and Regional offices in Kaduna, interview with some professionals in the field was another method of data collected.

The fourth chapter has a lot of data presentation and then analysis of the extent of application of marketing strategies in Union Bank PLC. At introductory part, the researcher showed and introduced the reader to the theoretical aspect of the topic, the researcher here collected the data and present it base on how he collected them from the case study, this is supported based on the following subheadings: Marketing in Union Bank PLC, Marketing strategies in Union Bank, Customer treatment, Marketing

problems in Union Bank. Analysis of the application of marketing strategies in Union Bank and discussion in findings which rested on marketing mix. These data is well designed and presented to give out reliable information from respondents.

Marketing in Union Bank PLC is found to involve the use of various strategies. And the Bank does not have a separate marketing department. The marketing strategies as applied in the bank are initiated by top management. Marketing strategies in Union Bank form the basis upon which the data presentation is based. The presentation is based on the information supplied on the returned questionnaire. Customers treatment is also considered in this chapter. It emphasizes customers as "KING," which make customer to call again, adopt the attitude of transaction to a particular Bank and how these Bank will retain them with good consideration. Customer satisfaction is another subheading, which emphasize the satisfactions of customers as pre-requisite for corporate existence and a boast to the firm's credibility or reputation. Marketing problems in Union Bank PLC is also discussed to include, unfair treatment of customers, time wasting and others. This analysis of the applications of marketing strategies in Union Bank and discussion on findings.

## **5.2 CONCLUSION**

This study have revealed that the Banks understand the importance of marketing, especially the application of marketing strategies to their operations. However, there are a catalogue of innovative services now being rendered by the Nigerian Banking system which are aimed either at attracting more deposit or at relaxing problems being encountered in the use of cheque as money transmission mechanism. As in the case of Union

Bank PLC, "save as you earn scheme" these are designed specifically to attract depositors, while "unicard" are all marketing efforts aimed at improving the acceptability of cheque and enhancing each bank's identity and image.

Furthermore, another finding is that the Bank regard competition as one of the most important factors influencing their pricing policies. Because they all want to have the controlling share of the market, they ensure that their prices are carefully designed in such a way that will attract more customers and depositors. Unfortunately however, our investigation also revealed that other market forces such as customers needs are hardly taken into consideration when setting prices. For instance, customers services have been found to be very unsatisfactory as there are usually long delays in effective transaction such as slow process of granting bank credit facilities to needy customers. Thus, no matter how good a price that may be set, if the customers receive unsatisfactory and shabby treatment from the bank's personnel, they may decide to change bank and be prepared to pay more for quality and quick service.

Though, in fairness to the bank workers, it has been observed that the public has shown little understanding despite the fact that cashiers, on some occasions work under pressure, month ends, for instance, constitute peak periods during which government ministries and companies pay their staff salaries through the banks. On their parts, bank management request their branches to turn in their reports on operations. All these create tension and pressure on the part of the bank workers which in turn has effect in their relationship with the customers.

Thirdly, our analysis further revealed that the banks initially had their branch network concentrated in the urban centres to the neglect of the rural areas. However, the Central bank of Nigeria changed the situation by involving its statutory right under section 4 of 1969 Banking Decree directing all Commercial Banks to operate in the rural banking scheme. This scheme were intended among other reasons, to mobilize the pockets of saving in the rural areas to ensure effective access on rural dwellers to credit and hence allocation of credit and productive activities, to link together the various financial markets in the country, especially the money market in the rural areas and the capital market in the urban centres: and finally, to enable the rural banks act as back -up support for the various government development programmes in the rural areas.

Whereas this directive was not altogether welcomed by many commercial banks, investigation have revealed that. They are now embracing the idea in view of the many new banks now springing up. By 1989, the Union Bank of Nigeria for instance had open new branch nationwide. In all, Union Bank network as at the end of the financial year 1989 stood at 9, urban branches, 97 rural branches and fide currency centres, bringing the complement of the bank's network to 193 country wide. Union Bank of Nigeria generally marked out an being particularly responsive to its social responsibility objective of identifying with the aspirations of the communities in which the bank operates and contributing to their welfare and development. In line with the above, the bank won the 1995 Farmer of the year award in 19 out of 30 states including Abuja. With the position, it was again declared the best bank by the Central Bank of Nigeria (CBN) for the fifth year running, under the Agricultural Credit Guarantee Scheme Fund (ACGSF) further more, for the tents time, the bank won the Nigeria Stock Exchange 1996

President's merit Award for Excellence in the banking sector.

Finally, our analysis regarding promotional strategies has revealed that the banks carry out a lot of promotional exercise especially through the media of radio and Televisions thus one hears such Jingles as 'Big, strong and Reliable' in reference to Union Bank, 'Truly the First' in reference to first Bank While U.B.A claims that 'wisemen (and women too) bank with UBA' Advertising in this respect by the various bank are quite stimulating and have motivational contents.

Apart from 'service advertising', there is also what is called 'Institutional Advertising' which is intended primarily to attract clients through a change of attitude to the services of the bank and also build a better image and goodwill for the banks. This type of advertising can take the form of either patronage, public relations, or when banks partake in activities outside the scope of Banking like financing of sporting activities, Educational Programmes, Conferences, Symposia etc all aimed at image building. The bank studies in this research is deeply involved in institutional advertising as our investigation have revealed that Union Bank is known to donated ₦50,000 to the Institute of Administration, Ahmadu Bello University, Zaria Towards hosting the Alumni of the institute among other donations.

Another Promotional Strategy used is personal selling which is the process of assisting and or persuading a prospective client to buy a bank service or to act favorable on an idea that has commercial importance. Our investigation revealed, however, that not much of this form of advertising is used by the banks. Rather, promotion is confined to radio and Television, pamphlets and billboards.

### **5.3 RECOMMENDATIONS**

In the course of carrying out this study we observed some problems, in the light of these problems the following suggestions are recommended for the improvement of application of Marketing Strategies in Commercial Banks.

#### **Quality of Service**

Bank marketing efforts should take due cognisance of the need to improve the quality of service that customers get. The delays in effecting simple transaction coupled with poor staff attitude must be greatly discouraged. This can be done through continuous staff training and development during which time it should be emphasized to the organization and therefore, should be recognized as prime to the services of the bank and as such must be made to feel satisfied with the services. Further more, since bank customers are people of different needs and expectations, bank services should be developed around customers preferences. This entails continuous assessment of customer needs, creating services and services packages specially designed to satisfy the changing needs and informing the customers of available services and their benefits. This also means the efficient use of personal selling technique to be able to persuade prospective client.

The use of computers should also be introduced to quicken the rendering of service to customers. This will surely minimize the incessant queues and long man hours that are usually wasted by customers to transact very simple business like withdrawing money. To further reduce the problem of pressure and delays, bank management should develop alternative date for submitting branch returns instead of at month ends which are usually 'pay days' and bank employees are under very high pressure at this time.

### **Rural Development**

In view of the government's determination to develop the rural areas through rural banking programme, the banks in their application of Marketing Strategies should take this into consideration. It is necessary that commercial banks should be made to provide the special credits needs of the respective localities they are meant to serve. In order to do this affectively, there is the need for the existing and future banks to decentralize their control by establishing more rural networks. This way the local branches can then take decisions to provide credit to the rural farmers with relative speed based on personal contact and on the local knowledge of the area in terms of industrial and business as well as farm conditions. The branch would thus be acting as management consultants, identifying problems and proffering immediate solutions.

Through since banks find it easier and cheaper to reach the rural populace through cooperative societies, the various local government councils should, therefore, show greater interest than encouraging the formation of cooperative societies. Such a medium has been found to be one of the easiest ways of mobilizing rural saving for capital investment in agriculture and other small scale enterprises.

### **Interest Rates**

It is a statement of fact that where rates on interest-bearing deposits are high, it increase the number of clients. Conversely, where it is high on loans and advances, it tend to reduce the number of clients especially the low and medium income investors. For this reason it is suggested that banks should review their present high interest rate on loadable funds while at the same time trying to maintain a balance to avoid losing some of their present and potential customers.



### **Promotion**

The present level of personal selling should be intensified to include house to house selling, especially in rural areas where the level of awareness is very low. Since the success of any personal selling depends on the calibre of the sales forces the bank's sales force must be highly trained and possess such personal traits as perseverance, high level of self confidence, energy, drive, intelligence and re-training, with emphasis on the bank policies regarding pricing, products and services deliveries knowledge of the service package and new methods of selling bank services. This training function can be coordinated between the Institute of Bankers as a bank personnel Training Centre and the universities and other institutions responsible for training students of banking and finance. In fact, both the banks and the government should combine efforts to see that the training programme in Banking is expanded in the short medium and long term to meet the high demand for skilled manpower in the banking industry. All the more some of the banks are to assume a more dynamic and innovative role in face of the harsh economic realities of the present day contained in the failed Bank Decree.

Finally, the bank cannot dissociate itself from the economic life of the community it is serving. So the marketing philosophy should be defined in terms of their social responsibility to their immediate environment respectively. This social responsibility to the community being served should be seen in terms of how it mobilizes savings safety of community liquid resources, and making available essential credit needs to the community of given society.

Hopefully, if the above foregoing suggestion is adopted considerably and effectively the economic development of the country or Nigeria in particular especially at the grass-root level would be sufficiently enhanced and would also spread all over aspects of National development over and over again which will definitely lead to the Nigeria's socio-economic advancement.

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3. Journal of Marketing
4. Business Concord
5. *Financial Times*
6. Audit Annual Reports and Account of the Selected Bank

**APPENDIX**

Dept. of Business Admin.,  
Faculty of Administration,  
Ahmadu Bello University,  
Date.....

**UNION BANK OF NIGERIA PLC**

Dear Sir/Madam,

I write to request you to please grant me a few minutes of your busy time to answer some questions regarding your Bank. I am an Masters in Business Administration student undertaking research on the subject of "Application of Marketing Strategies to customer related services in the service Industry" and your Bank happens to be the one I am studying.

I will be most grateful therefore if you can help me respond to the attached questions.

Please be rest assured that any information given will be used solely for academic purposes.

Your co-operation will be highly appreciated.

Thank you

*Yours faithfully,*

Signed:

Daudu Folusho Micheal

RESEARCH INTO THE APPLICATION OF MARKETING STRATEGIES TO  
CUSTOMER RELATED SERVICES IN COMMERCIAL BANKING (UNION BANK  
PLC)

**QUESTIONNAIRE**

1. Name of your Bank:.....
2. The term "Marketing" in your opinion means:  
(please tick as appropriate)
  - Selling
  - Market research
  - Planning and Coordination
  - All of the above
  - Others (specify).....
3. Does your bank have a Marketing Department?  
Yes or no. (please tick only one)
4. Is Marketing relevant to your banking operations?
  - Yes
  - No
  - Do not know.
5. What are the main objective of your bank
  - Profit making
  - Increase market share
  - Customer satisfaction
  - Provision of efficient services..
6. Does your Bank conduct research into customer needs and problems?  
Yes or No (please tick only one).

7. Does your bank consult customers in their decision making concerning them?
- To increase sales and profit margin
  - Competition
  - To cover cost
  - Any other (please specify)
8. What inform your marketing strategies?
- To increase sales and profit margin
  - Competition
  - To cover cost
  - Any other (please specify)
9. Who constitute the bulk of your market?
- Urban Dwellers
  - Rural Dwellers
  - Foreigners
  - Any other (please specify).....
10. What marketing strategies does your Bank employ to reach its customer?
- Branch Network
  - Advertising
  - Personal selling
  - Others (please specify).....
11. If your Bank uses advertising, which of the media does it consider most effective?
- Radio
  - Television
  - Newspapers
  - Magazines



- Bill boards
  - Others (please specify)
- 12** Does your Bank employ different prices to its customers?
- Yes
  - No
- 13** Who determines the interest rate of your Bank?
- Bank Management
  - Customers
  - Government
  - Competition (please tick as appropriate)
- 14** Who are responsible for determining the placing policy of your Bank?
- Bank Management
  - Customers
  - Government
  - Competition.
- 15** What is the nature of complaints from customers?
- Staff attitude related
  - Time related
  - Others (please specify)
- 16** How are these problems resolved or minimized?
- 17** Any other comment:.....  
.....